Governments And Money: The One Big And Two Small Exceptions

Notice how governments are always short of money? You should in this age of austerity, but there are three exceptions to this: one big one and two small ones

The big one is war.

C.H. Douglas (1879-1952),
Founding Father of Social Credit.

No nation ever lost a war because it ran out of money. Why not? Because, as Professor Quigley points out: "Wars...are not fought with gold or even with money, but by the proper organization of real resources..."

Think about this, money is simply pieces of paper, pieces of metal, figures in a book or blips in cyberspace. Imagine

the following, you play the violin, but want to learn the guitar. Your neighbour plays the guitar but wants to learn the violin. So you agree to give each other lessons. Money need not change hands, so even if neither of you can afford lessons – ie you are both flat broke – you can enrich each other's lives

Or: you keep chickens, while your neighbour grows vegetables. You trade his vegetables for your eggs and an occasional chicken. Again, money need not change hands. Generally, we can do this only on a small scale, because things get complicated if you want to exchange large amounts of goods or services, but a sovereign government or even local government has the resources and legal authority to marshal both goods and services in a fashion that both creates and distributes wealth.

This is why no nation ever lost a war because it ran out of money.

The two small exceptions are prisons and emergency relief. During the riots of August 2011, magistrates sat through the night, and rioters received summary justice. No matter how deep cuts in public services, there will always be enough room in a nation's prisons to take one more. Likewise there will always be enough money to put an accused on trial.

The third exception is emergency relief; this can be national – eg when there is limited flooding in an area, and the country affected can manage on its own. Or it can be when there is an earthquake or hurricane, and massive resources are needed. At times like this, the governments of the world, charities, and relief agencies are on the spot in no time, there may be appeals, but blankets, medicine,

tents...appear as if out of nowhere because this is what the world demands.

The lesson of the above is that if it can be done during war, riot or earthquake, it can be done all the time if only we, and more specifically our politicians and leaders, have the will.

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